



CONGRESSMAN HENRY A. WAXMAN NEWS

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WAXMAN BRIEF CHALLENGES RECENT CONGRESSIONAL VETO OF FTC CONSUMER PROTECTION RULE

Congressman Henry A. Waxman (D-Los Angeles) today announced the filing of a "friend of the court" brief joining consumer and public interest groups which are seeking to overturn the recent Senate and House veto of the Federal Trade Commission's Used Car Rule.

The brief, submitted on behalf of Waxman and 15 other Representatives, provides Congressional support to a lawsuit filed in early June by Consumers Union, the non-profit publisher of Consumer Reports, and Ralph Nader's Public Citizens group. The case, now before the Court of Appeals in Washington, is expected to be considered soon by the U.S. Supreme Court.

The vetoed rule would have required used car dealers to disclose known defects in the vehicles they sell, and to post all warranty information on the window sticker. "The veto of this rule was an important defeat for consumers," Waxman stated, "and for this reason, I believed it had to be challenged."

Waxman, an attorney-legislator and long-time opponent of the veto was also critical of its impact on the regulatory process. "Legislative veto discourages independent objective decision making by federal agencies. It allows Congress to draft sloppy laws knowing there will be a second chance to say what it 'really' meant. The provision encourages special interests to seek exemptions from laws, and when these groups make hefty campaign contributions, a doubt is cast upon the integrity of Congress. Overall, legislative veto is an unsound method for controlling the activities of federal agencies."

At issue in the consumer lawsuit is the constitutionality of the statutory provision which gave Congress the power to kill the FTC's consumer protection rules. Waxman's brief argued that the legislative veto undermines the separation of powers among the three branches of government by denying the President a role in passage of what amounts to legislation to override agency action. In addition, Congress may have usurped judicial review authority, vested in the courts by the Constitution. Two federal appellate courts have already held consistently with Waxman's view.

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